

VZCZCXRO1039
RR RUEHAG RUEHAST RUEHDF RUEHHM RUEHIK RUEHKW RUEHLN RUEHLZ RUEHMA
RUEHPB RUEHPOD RUEHROV RUEHSR RUEHTM
DE RUEHFR #2222/01 3431731
ZNR UUUUU ZZH
R 081731Z DEC 08
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC 5004
INFO RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUCNMUC/EU CANDIDATE STATES COLLECTIVE

UNCLAS SECTION 01 OF 02 PARIS 002222

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [KGHG](#) [SENV](#) [ENRG](#) [TRGY](#) [EU](#) [FR](#)

SUBJECT: FRANCE PUSHES RENEWABLE ENERGIES DESPITE COUNTERCURRENTS

11. Summary. France has unveiled an ambitious national plan to double the share of renewables in total energy consumption to 23 percent by 2020. At present, hydropower accounts for 12 percent. Apart from biofuels for transportation, the new renewable electricity plan will target photovoltaic (PV) installations and wind farms. However, industry fears the GOF may retreat on wind power in the face of local and national opposition, a potential problem for solar energy as well. France already has a low carbon footprint for electricity generation, a result of its reliance on nuclear power. End summary.

On the Renewable Cusp for 2020

12. Minister of Ecology, Environment, Sustainable Development and Regional Planning (MEEDDAT) Jean-Louis Borloo recently announced a package of 50 measures to boost renewables in France's general energy consumption mix to 23 percent. The initiative will accelerate research and promote projects in bioenergy, hydraulic, wind, geothermal, solar, and marine energies and develop industrial capacity, especially for solar power. According to ADEME (the French Agency for Environment and Energy Management) the renewables and energy efficiency market in France should rise from 33 billion Euros in 2008 to approximately 70 billion Euros in 2012. By 2012, renewable energy-related job creation is expected to rise from 54,000 jobs in 2007 to 120,000, and energy efficiency-related jobs from 168,000 to 320,000.

Solar to Spearhead Renewables Initiative

13. "Solar is the big one," stated Borloo. Though it has 18 megawatts (MW) of PV in 2008, France plans to reach 5,400 MW by 12020. (In the EU EU France ranks fourth for installed solar capacity after Germany, Spain and Italy.) As a start, by 2011 the GOF intends to build at least one solar farm in each region for a combined total capacity of 300 MW. Besides existing residential rooftop PV incentive programs, France will create a new feed-in-tariff electricity production incentive (Euro 0.46/kWh) for buildings with large roofs such as factories, supermarkets, schools, or barns.

Avoiding "Sterile Debate" on Wind Energy

14. The French plan to increase installed wind capacity from 2,500 MW in 2007 to 25,000 MW in 2020, of which 6000 MW will be from offshore wind farms. Preferential feed-in tariffs will be maintained until 2012. MEEDDAT also announced its intention to draft laws "to improve the regulatory framework" of siting land and offshore facilities. However, the law's contents remains to be defined. This ambiguity is worrying to the French turbine industry in the face of NGO opposition to installation of wind farms. Beyond concern for animal welfare, noise and "visual pollution," wind energy opponents denounce inflated electricity bills resulting from the feed-in tariffs and misuse of subsidies. Former President Valery Giscard d'Estaing described the sector as a "questionable business and a silent fraud." A recent study by the Institute Montaigne, a conservative think tank, concluded that additional costs for wind turbine power over lower cost alternatives "will be

around 1 billion Euros a year up to 2020, rising to 2.5 billion Euros per year if the program proposed by the GOF is realized." ADEME rejects these estimates.

Bio, Geo and Hydro Energy - a Supporting Role

15. Though less ambitious than solar and wind power, the plan will install heat pumps in two million households and increase biomass production significantly by 2020. To fund biogas, thermal and geothermal collectors a "Renewable Heat Fund" will be launched next year providing approximately 1 billion Euros over three years. According to the media, in December the GOF plans to tender for several biomass-fueled power plants generating a total of 250 MW. Currently hydro electricity is the main source of renewable electricity in France with an annual production of 70 Terawatts (TW)/hr/yr and installed capacity of 25,000 MW.

Biofuels Postponed

16. Biofuels are expected to represent 15 percent of the renewable energy objective for 2020. However, the MEEDDAT document issued on November 17 merely states that a program for biofuels, especially second generation biofuels, will be presented later. (In mid-2009 ADEME's biofuels study is scheduled for release.)

Energy Efficiency Remains Key

17. In addition to increasing the numerator of renewable energy output, our ADEME and MEEDAT contacts stress the need to reduce the denominator of total energy consumption through energy conservation and efficiency if France is to reach its target of 23 percent renewable energy by 2020. Recently, the ADEME President lamented

PARIS 00002222 002 OF 002

that the 20 percent target on increased energy efficiency in the EU Climate/Energy Package is not legally binding.

Comment - NIMBY is Alive in France

18. While the French broadly support an increase in renewables, where to site the facilities is a problem. Rapidly increasing wind power is an important key to reaching the government's renewable energy target. As noted above, with unease growing among politicians and local communities, the GOF is proposing planning controls and local community consultation procedures as a means to improve acceptability. However, the French Renewable Energies Union representing industry has warned the GOF against discouraging potential wind energy investors. Similarly, apart from roof-top facilities, solar farms' use of open land may also arouse local opposition. Finally, the well-established nuclear industry, which no longer faces these problems, advocates its "low carbon footprint" solution to reducing greenhouse gas emissions. The GOF will need to demonstrate strong political will to move forward with broad-scale wind and solar power projects.

STAPLETON